AN EXPLORATORY STUDY OF SATISFACTION IN BUYER-SELLER PARTNERSHIPS

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ABSTRACT

This qualitative study explores buyer-seller partnerships from both sides of the dyad. Multiple participants from the buyer and seller firms in three business-to-business partnerships were asked to describe how they perceived that partnership and why they perceived it that way. A conceptual framework with buyer and seller satisfaction as the focal consequence evolved from the data analysis. The categories that comprise the framework are defined and supported with exemplars from the data. The relationships between the categories are explored, and a higher level generalization of the framework is developed. Contributions to the field and managerial implications are identified and discussed, as are limitations of the study and opportunities for future research.

INTRODUCTION

Historically, most firms have viewed themselves as rather independent organizations, seeking to maximize their own profitability in the short run, sometimes even at the expense of their customers and suppliers. This perspective, however, is valid only if the transactions between buyers and suppliers are discrete market-based exchanges (Williamson 1985). But most transactions are not market-based exchanges; they are more typically part of an ongoing relationship between buyer and supplier (Webster 1992).

Over the past two decades, the concept of the supply chain has emerged from the realization that most firms are intermediaries in interdependent networks of upstream suppliers and downstream customers. And it is now readily accepted that the successful integration of the activities of this network (commonly referred to as supply chain management) is important in achieving a competitive advantage in the marketplace (Handfield and Nichols, Jr. 1999).

Many firms, embracing the perspectives of supply chain management, have moved to create a competitive advantage by establishing more collaborative, partner-like relationships with their buyers and suppliers. These relationships are the focus of an expanding body of literature. The operations and marketing streams of literature have explored the following aspects:

- The characteristics that differentiate partnerships from traditional buyer-seller relationships (Ashkenas 1990; Fontenot and Wilson 1997; Johnston and Lawrence 1988; Landeros and Monczka 1989; Leavy 1994).

- The potential benefits and risks of partnerships (Lyons, Krachenberg, and Henke Jr. 1990; Newman 1989; Spekman 1988a).

- Guidelines for deciding when to use partnerships (Ellram 1991c; Heide and John, 1990).

- The criteria used for selecting potential partners (Ellram 1990; Spekman 1988b; Stralkowski, Klemm, and Billion 1988).

- The life-cycle stages of partnerships (Ellram 1991a; Wilson 1995).

- Guidelines for developing and implementing partnerships (Ellram 1991b).

- The characteristics of partnership success and the obstacles that impede success (Anderson and Narus 1990; Essig and Amann, 2009; Dumond 1994; Dwyer, Schurr, and Oh 1987; Ellram 1995; Mohr and Spekman 1994; Morgan and Hunt 1994; Paun 1997; Pilling and Zhang 1992; Wilson and Vlosky 1997).

- The mechanisms that help to explain buyer-seller relationships (Bantham, Celuch, and Kasouf 2003; Claycomb and Frankwick 2010; Hald, Cordón, and Vollmann 2009)

- The processes that partnerships use in problem resolution (Landeros, Reck, and Plank 1995).

Buyer-seller partnerships are complex dyadic relationships that involve the buying organization and the supplying organization. Within each organization, multiple business functions interact both intra- and inter-organizationally, executing normal business transactions, designing and improving products and processes, jointly solving problems, and planning for the future. In a partnership, the two units and the functions within those units are interdependent. Yet, relatively few studies have looked at partnerships from the perspective of *the partners*, that is, from the perspectives of matched buyer-seller dyads (Ellram 1995; Ellram and Hendrick 1995). Those studies that have explored both sides of the partnership have done so from the single perspective of purchasing (representing the buyer) and sales/marketing (representing the seller). No studies have looked at partnerships from the perspective of those functions, other than purchasing and sales/marketing, that interact in the normal course of accomplishing everyday transactions between buyers and suppliers—for example, the engineering and manufacturing functions. This study

addresses this gap in the current literature by using a multi-case study research design to explore buyer-seller partnerships from cross-functional perspectives within both partnering organizations.

The result of this study is a conceptual framework identifying the salient categories or constructs that help explain buyer-seller partnerships. The focal consequence of the framework is the level of satisfaction with the partnership as perceived by the buyers and the sellers.

Consumers' perception of value, their satisfaction/dissatisfaction, and loyalty have been, and continue to be, a primary focus of practitioners and scholars (e.g., Bassi and Guido 2006; Chow and Zhang 2008; Halstead and Jones 2007; Leingpibul, Thomas, Broyles, and Ross 2009; Sánchez-Fernández and Iniesta-Bonillo 2006). However, relatively little research has addressed these dynamics in business-to-business relationships.

Customer satisfaction in industrial markets has been investigated to some degree (Szymanski and Henard 2001), while supplier satisfaction has been studied to a lesser degree (Essig and Amann 2009). Similar to the studies on buyer-seller relationships, the limited research on buyer and seller satisfaction in industrial markets has typically focused on only one side of the dyad. This study also addresses that limitation and adds to the relatively limited literature on satisfaction in B2B relationships.

RESEARCH DESIGN AND METHODOLOGY

Research Design

There were two initial research questions that led to this study:

(1) How do the participants in a buyer-seller partnership perceive that partnership?
(2) Why do the participants perceive the partnership that way?

This study employed a theory building, multiple-case study research methodology as described by Eisenhardt (1989), Eisenhardt and Graebner (2007), Miles and Huberman (1994), and Yin (1994). This particular research design was appropriate given the nature of the research questions and the desire to provide more compelling evidence and robust findings (Herriott and Firestone, 1983).

The primary unit of analysis was the partnership, focusing on the individual participants' perceptions of the relationship. Furthermore, there are two additional embedded units of analysis, the buying and the selling organizations engaged in the partnership and the individual participants within those organizations.

The underlying logic supporting the building of theory from multiple case studies is the logic of replication. In replication logic, a series of cases is treated as a series of experiments with each case serving to confirm or disconfirm the emerging hypotheses and theory. Those cases which confirm emerging hypotheses and theory enhance confidence in their validity, while cases which result in disconfirmation can often provide an opportunity to refine and extend the emerging theory (Eisenhardt, 1989; Yin, 1994). The replication logic inherent in multiple case study qualitative research provides a strong base for theory building. The theory is better grounded, more accurate, and more generalizable (Eisenhardt, 2007).

Case Selection

The case selection rationale for this study is based on theoretical sampling.

Theoretical sampling used in theory building studies is very different from the more familiar statistical sampling used in hypothesis-testing studies. In hypothesis-testing research, the selection of an appropriate population controls extraneous variation and helps to define the limits for generalizing the findings (Eisenhardt, 1989). However, in theory developing research, theoretical sampling is appropriate. The goal of theoretical sampling is to select cases that are likely to replicate or extend the developing theory, that represent theoretical categories, or that provide examples of polar types (Eisenhardt, 1989). In theoretical sampling, cases are chosen for theoretical reasons rather than statistical reasons. They are selected because they are particularly suitable for illuminating and extending relationships and logic among the emerging constructs and hypothesis (Eisenhardt, 2007). This case selection rationale also supports what Yin (1993) refers to as literal replication logic, which increases the confidence in the study's results and the robustness of the findings.

For this particular inquiry, three buyer-seller partnerships in different manufacturing sectors were selected for investigation. Each of these buyer-seller relationships had been in existence for four or more years, and this ongoing nature of the partnerships was not the result of legal or contractual obligations. Additionally, each partnership involved multiple participants from both sides of the dyad. The combination of these factors provided confidence that the case selection was appropriate for the research design.

Table 1 provides profile information regarding the sites selected for this study.

Table 1

Study Site Profiles

	Partnership A - B		Partnership C - D		Partnership E- F	
	Buyer A	**Supplier B**	**Buyer C**	**Supplier D**	**Buyer E**	**Supplier F**
Industry	SIC 3577 Computer Peripheral Equipment Manufacturing	SIC 3672 Printed Circuit Board Manufacturing	SIC 3629 Electrical Industrial Apparatus Manufacturing	SIC 3363 Aluminum Die Casting Manufacturing	SIC 3563 Air & Gas Compressor Manufacturing	SIC 3321 Gray & Ductile Iron Foundries
Number of Employees	300	130	1500	100	700	1500
Sales ($ Millions)	$90	$12	$600	$11	$150	$100
Annual Direct Materials Purchase ($ Millions)	$33	-	$45	-	$80	-
Annual Purchase From Partner ($ Millions)	$1.5	-	$4	-	$20	-
Time as Partners (Years)	6	6	5	5	4	4

Data Sources

The primary sources of data for this study were personal interviews conducted with those employees who are involved with the management and operation of the partnership. These individuals were managers and individual contributors and represent various functions within both the buyer and supplier organizations. The key informants were identified in preliminary discussions with primary contacts at both buyer and supplier firms. Additional key individuals, identified through the course of the interviews, were added to the list of interviewees. At least ten personal interviews per case were conducted, roughly split between the buyer's organization and the seller's. In total 36 interviews were conducted during the main study (see Table 2).

Table 2
Study Data Sources

Partnership A - B		Partnership C - D		Partnership E - F	
Buyer A	*Supplier B*	*Buyer C*	*Supplier D*	*Buyer E*	*Supplier F*
Corporate Purchasing Manager	General Manager	Materials Manager	President	Purchasing Manager	Sales Manager
Department Purchasing Manager	Quality Manager	Buyer	Operations Manager	Quality Engineer	Quality Manager
Buyer	Customer Service Rep.	Design Engineering Manager	Shop Manager	Design Engineer	Quality Manager
Quality Engineer	Tool Engineering Manager	Quality Engineer	Shop Foreman	Design Engineer	Quality Engineer
Design Engineer	Tooling Engineer	Quality Specialist	Production Control Specialist	Process Engineer	Materials Manager
Process Engineer		Production Control Specialist	Design Engineering Manager	Process Engineer	
			Quality Engineer		
			Comptroller		

Data Collection

Personal interviews were conducted with the appropriate individuals within each firm of the partnering dyad. An open-ended interviewing approach was used. Each interview began by asking the participant "What is it like to work with Company X (the partnering firm)?" The participant was prompted to take the lead in where the conversation headed. This form of interviewing provided the perspectives of the participants, in the participants' own words.
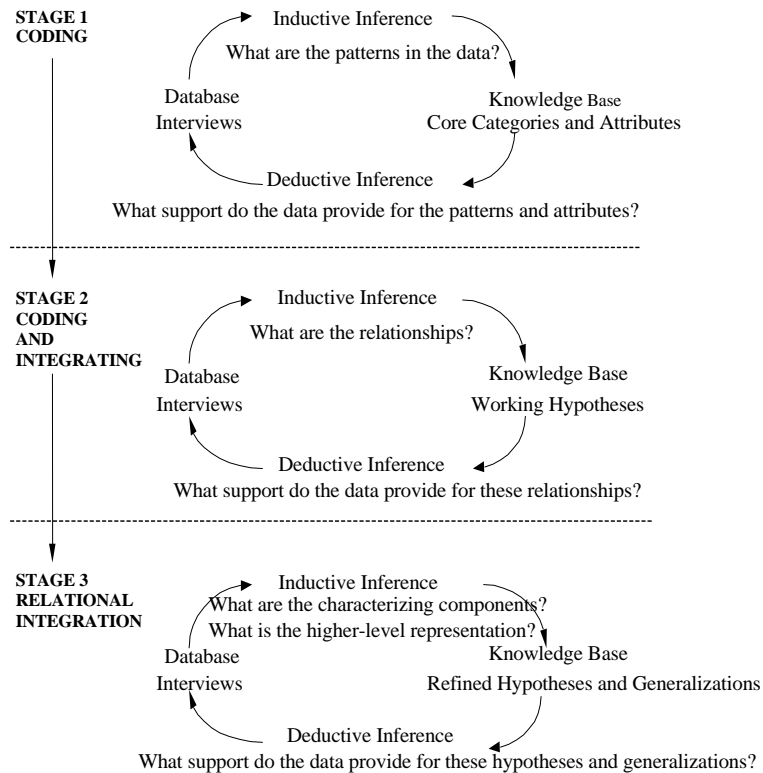
Interviews were audio taped and later transcribed; interview notes were also taken. In the few instances where personal interviews were not possible, taped phone interviews were conducted. The data gathered from the transcriptions of the interviews was used to create a case study database using QSR NUD*IST, a commercial, qualitative data analysis software program. (QSR NUD*IST has been superseded by NVivo.)

RESULTS AND DATA ANALYSIS

Qualitative data analysis requires the researcher to move constantly between inductive and deductive thinking as he/she moves through the stages of identifying code categories and their attributes, developing working hypotheses that describe the relationships among the categories, and finally refining the hypotheses and forming higher-level generalizations from the data (Glaser and Strauss, 1967; Strauss and Corbin, 1990).. The process is described by Shelly and Sibert (1992, pg. 73) as ". . . a cycle of complementary tasks which inform each other and which as a grouping, lead the researcher from concrete to abstract representations of the phenomena under study." Figure 1 graphically displays the data analysis process followed.

Figure 1
A Staged Model of the Qualitative Analysis Process
(Based on Shelly and Sibert (1992) and Sibert and Shelly (1995))

STAGE 1
CODING

Inductive Inference
What are the patterns in the data?

Database
Interviews

Knowledge Base
Core Categories and Attributes

Deductive Inference
What support do the data provide for the patterns and attributes?

STAGE 2
CODING
AND
INTEGRATING

Inductive Inference
What are the relationships?

Database
Interviews

Knowledge Base

Working Hypotheses

Deductive Inference
What support do the data provide for these relationships?

STAGE 3
RELATIONAL
INTEGRATION

Inductive Inference
What are the characterizing components?
What is the higher-level representation?

Database
Interviews

Knowledge Base

Refined Hypotheses and Generalizations

Deductive Inference
What support do the data provide for these hypotheses and generalizations?

Separating the data analysis and the results in a qualitative study makes it more difficult to follow the progressive inductive-deductive cycle as ideas emerge from the data and then are refined by further comparison to the data. This section will, therefore, address the process of data analysis and the reporting of results together (Bogdan and Biklen, 1992). The intent is to provide the reader a "guided tour" of the key aspects of the researcher's perspective as he progressed through the iterative cycles of qualitative data analysis. The tour is divided into three stages that roughly parallel the stages of qualitative research described by Shelly and Sibert (1992) and depicted in Figure 1.

STAGE ONE

The focus of this stage is to *inductively* generate categories and their attributes from the interview database, and then deductively check these emerging concepts against the data, revising the categories and attributes as appropriate. The outcome is the identification and definition of the following nine categories. Selected examples from the data that support the definitions will be provided.

Organizational Self-awareness:

Organizational self-awareness is conceptualized as the understanding the partnering firms have of themselves. This

understanding includes such factors as: their strengths and weaknesses compared to their competition; their business and supporting functional strategies; a very thorough understanding of their manufacturing processes and the capabilities of those processes; and their expectations of the partnership. It is important to point out that this definition implies that the *individuals* involved in the partnership are aware of these factors and share a collective understanding of the factors relative to their firms. The following quotations provide examples of this category. All quotations in this section will be attributed to the appropriate dyad of the partnership and will be annotated as to which attributes are represented.

Quotation One:

Buyer A—Understanding of business drivers and their relationship to the partnership

Naturally, we're in business to make money. Nobody, I think, goes in business to lose money. In our industry, our niche in the industry is pretty competitive, pretty cost-driven and competitive. So, routinely, we go through re-design or cost-saving activities so that we can cut our costs and our price then to the customer. We do it from a manufacturing standpoint, as far as labor that we're putting into products and also from a component standpoint.

Actually components make up about 85% of the cost of a product, so it's a significant piece. Labor, actual direct labor and the manufacturing area is less than 5% of the overall cost. So there's a lot more focus on component cost and what improvements there could be to the overall picture versus actual manufacturing processes. The printed circuit board is one of the costlier components of the unit, and I know that every year we get quotes on our boards, on everything, on all of our components. And at some point, it might have been in 1995, (Supplier B's) quotes to us

were kind of high. I think they were asking for an increase, and we wanted a decrease. Every year we want decreases, and they actually came back with an increase and on some of the newer products that we were just finishing up in development and design and sending over to them. We were seeing what we perceived as an increase over what we anticipated based on similar products.

Quotation Two:

Supplier B—Expectations of the partnership

I remember having several meetings with (Buyer A's) upper management where some of their people stood up and said, 'Hey guys, we better take care of our problems before we ask (Supplier B) to take care of their problems.' And that started the real collaborative attitude. It wasn't them against us.

Commitment to the Partnership:

Commitment to the partnership is defined as the desire to continue the partnership and work to ensure its continuance. Mohr and Spekman (1994) describe commitment as the willingness to exert effort on behalf of the relationship. This willingness to work on the relationship to ensure that it endures (Morgan and Hunt, 1994) can result from a number of factors.

The study data revealed multiple attributes of commitment—the desire to reduce business uncertainty and increase business stability, the belief that the cost to move away from the partnership would exceed the benefits, the realization of the interdependence of the firms, and the willingness or desire to maintain the relationship. The data also highlighted another important aspect of commitment; commitment exists at both the organizational level and at the personal level. The following quotations from study informants provide examples from the data.

Quotation One:

Buyer A—Realization of the interdependence of the firms

If you had a short term need to use a supplier, you probably wouldn't be so concerned about their success; you'd want the best deal you could get. But when you want to develop a long term relationship, you have to be worried about them meeting their goals; them getting what they need so they can be successful and so that they'll be around for that lasting relationship. I think that we understand that probably better, or I understand it better than I ever have, and I see that sort of relationship with (Supplier B). They understand that their continued success at having us for a customer depends on our being successful and that they own a piece of that; they need to be there providing quality printed circuit boards that meet all quality expectations and that arrive here on time.

Quotation Two:

Supplier B—Desire to maintain the partnership

I think you've got to want to do it. You've got to want to be the partner. You've got to want to partner with whomever. It's almost like a marriage; you've just got to want to do that. You don't have to marry them to still be their number one supplier. But for both to become profitable, and maybe strengthen the profitability, now you get into the partnering, and it's going to open up some doors.

Communication:

Communication processes underlie most aspects of organizational interaction and, therefore, are typically viewed as being critical to organizational success (Mohr and Spekman, 1994). The data in this study support this view with informant after informant commenting on the importance of communication to the success of the partnership.

Communication in the context of organizational relationships has often been broadly defined "as the formal and informal sharing of meaningful and timely information between firms" (Anderson and Narus, 1990, p. 44). In addition, communication has been defined to include "the ways in which information is exchanged and shared between partners and the openness between partners in their exchanges of information" (Fontenot and Wilson, 1997, p. 7) and "the means by which channel activities are coordinated" (Paun, 1997, p. 16).

The study data clearly reveals that communication is a complex category consisting of numerous, multi-dimensional attributes. The importance of communication quality—the accuracy, timeliness, adequacy, and credibility of information (Mohr and Spekman, 1994)—is evident in the data. The requirement that effective information exchange be participative and bilateral in nature was also evident (Mohr and Spekman, 1994; Dwyer, Schurr, and Oh, 1987).

Two additional attributes that appeared in the data were the importance of multiple channels of information exchange between partners and the importance of direct, interpersonal communication, particularly face-to-face interactions. The data suggest that not only was the information being communicated important, but how it was communicated was also important to the success of the partnership. It appears that the means of communication was particularly important in the development and maintenance of long-term relationships between the partners. Communication is, therefore, defined as the content and the means of information exchange between partnering firms. Effective communication would then imply that the quality of information exchanged is high and that the means of exchange enhances the development and maintenance of long-term relationships between the partners. The following

quotations from the data base provide examples of this category.

Quotation One:

Supplier D—Direct, interpersonal communication and multiple communication channels

I think the information, the communication that we have with them, they have made themselves available to talk to them at any time, they feel free to call us and talk to us at any time. We deal with some of the people even on the floor up there. That's kind of changed over the years too, that was kind of restricted earlier, where now they're becoming more open because of some of the new things they're doing up there, and they're becoming even more open than they were in the past. And that has helped us to communicate. (_____), who works with me, he talks to (Buyer C) quite often, all the time, about what we're doing internally here, to make sure that we are on the same wavelength with them that we need to be, versus assuming that something should happen, and then when it doesn't, we have a negative. And we have a big open relationship with them, in fact, we go and visit them quite often, and they come down and visit us quite often. In fact, (_____) comes down usually once a month and visits, and we go over all the plans that we have here. We talk about tooling, any kind of engineering changes, how the machines are running, you know, all those kinds of issues. And again, that's something that is unique to that customer that we don't have with a lot of the other ones.

Quotation Two:

Supplier D—Direct, interpersonal communication

It's great to talk over the phone, it's great to send a fax back and forth, but you know, I've always been a proponent, even when I teach my children, when you have a problem, let's talk about it face-to-face rather than on the phone or leaving a note. You don't get the same effect; it doesn't really come out the same way. When you're talking to someone like we are talking now, you can get a better feel for what's going on and know whether something's legitimate or not. Whereas on the phone, they may be crying wolf about something when they really don't need something, and when you're face-to-face, you really can get those things out a little better, and I think that's imperative to what we do, especially with them.

Inter-organizational Understanding*:*

Inter-organizational understanding refers to the understanding and knowledge that an individual involved in the partnership has of the partner's business. This includes knowledge of the partner's markets, strategies, processes, and expectations of the partnership.

This category goes beyond the mere exchange of information and implies that the information is truly understood; that is, the information, its context, and its implications are viewed from the perspective of the partner. This understanding does not just happen; it develops through the active involvement and interaction of individuals with their partnering firms. Mohr and Spekman (1994) allude to this category in their discussion of information sharing: "By sharing information and by being knowledgeable about each other's business, partners are able to act independently in maintaining the relationship over time" (p. 139). The essence of this category, then, is the individual and collective knowledge that a firm has of its partner's business. The following quotations from study informants characterize this category.

Quotation One:

Buyer E—Understanding the partner's perspective

Yeah, I mean any time that we requested a trip out there, and really this last trip back in April, (_____), another product engineer, and myself, basically requested to (Supplier F), let us come out, we brought a couple of our designers with us, let us come out and just get our hands on the tooling, just take time to go out and explain to us, why, how the tooling is, and why it does what it does. And look at things from their engineering perspective only, and not how we manufacture the end part, but what goes into the engineering. And I think that was the big, the big push towards improvement here. Because we got a better understanding. Now we could help; we could help adjust the print such that the part was now manufacturable (by them), okay. And also give tolerances to the casting based on their casting process.

Quotation Two:

Supplier B—Understanding the partner's perspective

And we charge more than (Buyer A) needs to pay for commodity-type boards. There is a level of service and quality that they don't need on this commodity. But we understand that. And yeah, we lost several hundred thousand dollars worth of business, but we are business people, and we are not going to cry about it. Let's just go on. If it is a good decision for them that means it is going to be a good decision for us because it keeps you profitable. Pretty much what we both want to be, in business 20 years from now.

Cooperation:

Cooperation has been defined as "similar or complementary coordinated

actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time" (Anderson and Narus, 1990, p. 45). The definition of cooperation employed in this study refers not only to the coordinated actions taken by firms, but also refers to the firms' willingness to take those actions. This willingness to engage in such actions is important. If a firm has to continually coerce its partner to engage in these types of actions, the firm would not be viewed as being cooperative.

Morgan and Hunt (1994) make a distinction between cooperation and acquiescence. They define acquiescence as passively or reactively agreeing to a partner's request for improvement, whereas cooperation is proactively suggesting ideas for improvement. The definition used in this study does not differentiate between cooperation and acquiescence. The data implied that the willingness of the partner to engage in coordinated actions was of major importance, whereas the proactive or reactive nature of that willingness was of less importance. It should, however, be pointed out that if one partner *expected* the other partner to take a proactive position, and a reactive position was most commonly assumed, the satisfaction with the partnership might be affected.

Cooperation is, therefore, conceptualized as the firm's willingness to take coordinated actions with its partner to achieve mutual outcomes or singular outcomes with expected reciprocation over time. The definition of this category, like the previous ones, implies that the particular category is both an organizational and individual phenomenon, i.e., for a firm to be perceived as being cooperative, at least some members of that firm must be perceived as cooperative. The following quote from the research data provides an example of this category.

Quotation:

Buyer A—Willingness to take coordinated action

(_____) has been at (Supplier B) since I can remember. He's the QA manager there and may very well be someone that you are talking to. He was a tremendous help, and he never, as immature as we were, as far as developing a knowledge base on printed circuit boards, he always was helpful and a mentor. He never laughed at us. He probably had lots of opportunities where he could have. So, that was, in my mind, that was extremely key. That was a big distinction between doing business with (Supplier B) and doing business with the other house on the West Coast.

Joint Problem Solving:

Joint problem solving is defined as the collaborative participation of both partnering firms in the functional resolution of conflicts and in the joint planning and implementation of improvement projects. Joint problem solving implies more than cooperation (defined in this study as the willingness to take coordinated actions). The data suggests that joint problem solving is action oriented and involves both partners rolling up their sleeves and tackling a problem together.

Traditionally, joint problem solving has been defined more narrowly than it is here, primarily in the context of conflict between parties. For example, Mohr and Spekman (1994) categorize joint problem solving as one of several conflict resolution techniques. Conflict is inevitable in most relationships (Fontenot and Wilson, 1997 and Dwyer, Schurr, and Oh, 1987). There are, however, numerous opportunities for partnering firms to engage in joint activities for the purpose of solving or avoiding problems which are not precipitated by conflict or disagreement between the partners.

An excellent example of this type of activity is the increased involvement of suppliers in the development of new products (Wheelwright and Clark, 1992). The definition employed here takes that broader view of problem solving. The following quotations from the data provide examples.

Quotation One:

Buyer C—Collaborative problem solving

I would say (Supplier D) is much more hands-on when working through problems. Their attitude is always receptive, they don't get defensive. Some suppliers, not all, but some, the minute you discover a problem, hit the defensive mode that second. I've never seen (Supplier D) get defensive at the start of an issue, which is a good thing.

Quotation Two:

Supplier B—Joint planning and implementation of improvement projects

One of our ongoing projects right now is scoring with (Buyer A), scoring the circuit boards. They have a water jet machine, and they separate the boards with a water jet. From what I hear, the machine breaks down quite a bit, and it's not very accurate in removing a lot of material. A lot of material lost, it's not going to be very cost-effective. A scoring machine will put the boards directly against one another, no loss in board size, get more boards on a master, better efficiency, better yield, lower cost. Right now, we're working on projects with them to try to bring them on-line with scoring. Most of their parts can't really accommodate that because they're not square. Some are a version of square, and I can get it to work. And we had one problem, that the boards, they were getting, literally falling out of the panels. They were scored to the spec that we originally came up with, but after assembly I imagine that the web weakened a little bit, and it got a little bit less.

So I had one of the engineers give me a call and say, 'they're falling out, what can you do?' I said, 'well, I'd change the web spec. And I would beef the web up maybe four to five mils, and we'll try that out.' And they were pleased with that, and they decided to go with that. I haven't heard of any problems since, and this was a month ago, maybe. We've sent, I believe, two orders since then.

Tangible Outcomes:

Tangible outcomes refer to those quantifiable business results that stem from the partnership. From a social exchange theory perspective, these outcomes can be viewed as being similar to the economic rewards sought in exchange relationships (Emerson 1976; Briggs and Grisaffe, 2010). Included in this category are those objective measures mentioned by the informants in the study. Those measures include: sales volume; profit/margin; quality; and delivery. The following quotations provide examples.

Quotation One:

Supplier D—Reliable volume of sales

It's good business. Solid, large volume, solid business that one can count on. It's basically a fair margin; it's not tremendously profitable, but it's solid and it's a pleasure to deal with a sophisticated customer.

Quotation Two:

Buyer E—Reliable quality and responsiveness

Prior to (Supplier F) coming on board, we had three or four different suppliers. And they were tough to deal with. They, their metal changed, it'd be hard, it'd be soft, it'd be porous, there were all kinds of problems from that. Well, (Supplier F) has a certain amount of it too. But it's very difficult to get other suppliers to react to problems. And if they did, when they did react, it would be way down the road. And (Supplier F) is there, like right now!

Intangible Outcomes:

Intangible outcomes refer to those outcomes that are associated with the partnership yet cannot be readily quantified. Again using a social exchange theory perspective, intangible outcomes would include the social outcomes that partners seek in exchange relationships (Emerson, 1976; Briggs and Grisaffe, 2010), and other desirable outcomes that are extremely difficult for partners to quantify. These outcomes include: the creation of new knowledge; the development of new capabilities; the ease of working with the partner; the formation of social bonds; and the development of trust. The data suggested that the attributes of intangible outcomes were very important to the informants, having significant influence on how they felt about the partnership. The following quotations help to illustrate the definition of this category.

Quotation One:

Supplier B—The creation of new knowledge

We have gotten a lot of business out of that relationship. We average over a million dollars a year. We have also received a lot of knowledge. (Buyer A) is very free with their knowledge. When they hear or learn something good, they are willing to teach us.

Quotation Two:

Supplier B—The development of new capabilities

They have forced us, I remember standing up in front of a meeting, it was one of the original meetings and (_____), he was in there along with a lot of other people, and he says, well, it was one of those questions, and we laid out this is how many hours it takes to do this, and this is how many hours it takes to do this, and there is no way we can build a board in less than 12 days. At the end of it (_____) said, 'Why not?' You know, can't you do this, can't you do that? And like I say, now we have built, I believe we delivered one, it was counter-to-counter delivery to (Buyer A) last night. I believe it was a three day turns around on a six layer board. And it was an eye opening, sitting there in a meeting, and I vividly remember it, him saying, 'Well, why can't you do that?' And it's, we went back and we talked about it and it took us months to do it, we were at 20 days, and six months later we were down to 15 days, and maybe a year after that we were down to 10 days with a couple five day turns. We make a lot of money building five day turns for some of our customers.

Quotation Three:

Buyer E—The development of trust

I think there is pretty good level of trust that we'll be honest with each other, even if it's a difficult situation. And I think it has to do with the people that are involved again, and how they are.

Quotation Four:

Supplier F—The development of trust

And there is a high degree of trust. I can say all I want to about the people, the engineers, the differences, but there is trust. They trust us to do what we say we are going to do, and we trust them to do the same. I think that's the key.

Satisfaction:

Satisfaction has often been employed as a proxy for success in studies of inter-firm exchange relationships (Anderson and Narus, 1990; Anderson and Narus, 1984; Frazier, Spekman and O'Neal, 1988). The rationale for this use of satisfaction as a surrogate for success "is based on the notion that success is determined, in part, by how well the partnership achieves the performance expectations set by the partners (e.g., Anderson and Narus, 1990). A partnership that generates satisfaction exists when performance expectations have been achieved" (Mohr and Spekman, 1994, p. 136).

The study data reveals that participants have performance expectations that are associated with the tangible outcomes of the partnership and the interactions associated with joint problem solving activities. The data would also indicate that satisfaction is affected by the presence of intangible outcomes associated with the partnership. However, it was not clearly evident in the data that participants have predetermined expectations relative to intangible outcomes. This could perhaps be explained by the very nature of intangible outcomes, i.e., they are more abstract and less quantifiable consequences of partnerships. Perhaps the participants do not consciously establish expectations for these outcomes, or perhaps they cannot readily articulate them. The data did, however, suggest that the relative level of these outcomes, as perceived by the individual, is important for generating a sense of satisfaction with the partnership. Anderson and Narus (1984) take this more holistic perspective of satisfaction when they define it as "a positive affective state resulting from the appraisal of all aspects of a firm's working relationship with another firm" (p. 66). Satisfaction, as defined for this article, refers to the degree to which the interactions of the partners and the outcomes of the partnership meet the performance expectations of the partners and the perceived

level of positive intangible outcomes associated with the partnership.

Examples of satisfaction, taken from the data, follow. These examples are related to the joint problem solving and/or intangible outcome aspects of satisfaction. The data yielded fewer examples related to the aspect of tangible outcomes. This is not to imply that tangible outcomes are not important, it could, however, imply that participants perceive tangible outcomes as "givens" in ongoing partnerships, and if expectations relating to those tangible outcomes are not met, they then become "top of mind" and are addressed through joint problem solving activities.

Quotation One:

Supplier F—Intangible outcomes (ease of working with partner) and expectations related to joint problem solving

They're very down to earth people. They understand their machining operation well. They understand their product line. The engineers and everybody involved are just, they're more willing to work with you on resolving problems. And I think the biggest thing is that they listen to what you're telling them.

Quotation Two:

Buyer E—Expectations related to joint problem solving (negative example)

Well, basically I am not that satisfied with (Supplier F). Their approach is what I would term non-proactive. And I think it's, I'll make an observation, I believe it is indicative of a lot of the foundry industry. Basically they have been doing things for x number of years in a given way, and to get them to change creates a lot of turmoil and a lot of resistance.

Quotation Three:

Buyer E—Intangible outcomes (ease of working with partner, negative example)

I don't enjoy doing business with (Supplier F), I really don't, only because of this, this attitude that they have, okay, you know, not wanting to listen early on in the program to what we say, not wanting to listen to our needs, okay. And it's just, I get very frustrated with them.

Quotation Four:

Supplier B—Expectations related to joint problem solving

If you look at everybody's mission statements, very seldom can you miss the words 'exceeding customer's expectations.' Doing it together to me is a good definition for partnership.

STAGE TWO

Stage Two focuses on the *inductive* identification of the relationships between the categories identified in Stage One. These hypothesized relationships are then *deductively* checked against the interview database and compared to pertinent literature in the field. There are two outcomes of this stage. The first is a conceptual framework that addresses the important characteristics of buyer-seller partnerships that were identified in this study and their hypothesized relationships. The second outcome is a comparison of this conceptual model to other selected studies in buyer-seller partnerships.
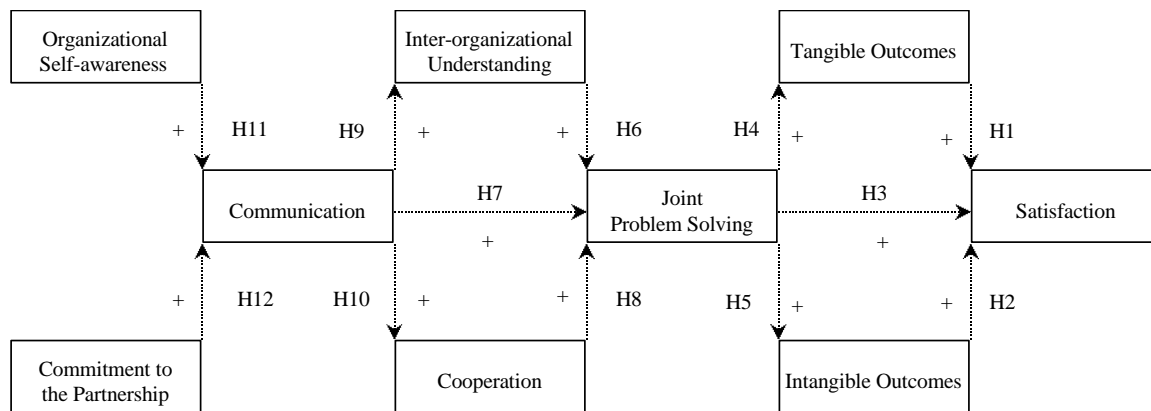
Conceptual Framework

Figure 2 represents the model of ongoing, working partnerships between industrial manufacturing firms developed from the interview database in this study. The

framework is meant to apply to both the buyer and the supplier firms' perspectives of their partnerships. This perspective is similar to previous conceptual models of working partnerships (Dwyer, Schurr, and Oh, 1987; Frazier, 1983; Anderson and Narus, 1990),

and is based on the rationale that both firms are engaged in the same relationship and, therefore, symmetry of the constructs underlying the partnership is expected. This symmetrical perspective is supported by the data.

Figure 2
Conceptual Framework of Buyer-Seller Partnership and Hypothesized Relationships

The conceptual framework (see Figure 2) displays the nine categories that were identified in the process of data analysis and the hypothesized relationships between the categories. It is important to point out that the arrows that connect the categories in the framework do not imply causality or temporal precedence; they should only be interpreted as implying a hypothesized relationship between the categories.

The focal consequence of the conceptual framework is the level of satisfaction that the individual participants have relative to the partnership. This level of satisfaction appears to be directly related to three categories: tangible outcomes, intangible outcomes, and joint problem solving. The relationship between satisfaction and tangible outcomes can be stated more formally by the following research hypothesis:

H1: The realization of expected tangible outcomes is positively associated with the participants' satisfaction with the partnership.

The study data show that realizing the expected tangible outcomes associated with a partnership are taken for granted by the partners. If the expected tangible outcomes are not realized, a level of dissatisfaction prevails; however, realizing the expected tangible outcomes does not assure satisfaction with the partnership. Participants' satisfaction with the partnership is associated with the presence of positive intangible outcomes.

As stated before, it was not evident in the data that participants have predetermined expectations relative to intangible outcomes. It was evident, however, that the development of positive intangible outcomes was present when the participant viewed the partnership

with a sense of satisfaction. Stated more formally, it is expected that:

H2: The realization of positive intangible outcomes is positively associated with the participants' satisfaction with the partnership.

The participants did not appear to be satisfied with their partnership solely on the basis of positive outcomes. The interactive processes of the partnership had a great deal to do with how the partners felt about the partnership. It appeared that there was a positive relationship between how well the partners worked together in collaboratively solving problems and their level of satisfaction with the partnership. It is therefore expected that:

H3: Collaborative joint problem solving interactions are positively associated with the participants' satisfaction with the partnership.

The study data reveal that joint problem solving activities played a key role in whether or not the partnership was viewed favorably by the participants. The ability for the partners to collaboratively interact and jointly solve problems appeared not only to be associated with satisfaction, but also with tangible and intangible outcomes. The following research hypotheses formally state the posited relationships between these categories:

H4: Collaborative joint problem solving activities are positively associated with the realization of expected tangible outcomes.

H5: Collaborative joint problem solving activities are positively associated with the development of positive intangible outcomes.

Successful joint problem solving activities appear to be affected by the level of inter-organizational understanding between the partners, the level of cooperation that exists between the partners, and the effectiveness of the communication processes that exist between the partners. For firms to engage in collaborative problem solving activities and experience positive outcomes, there must be a willingness to engage, a sound basis of understanding between the firms, and effective communication that facilitates the sharing of information. Thus, it is expected that:

H6: The greater the level of inter-organizational understanding between the partners, the more effective their joint problem solving activities will be.

H7: The more effective the communications between the partners, the greater the effectiveness of their joint problem solving activities.

H8: The greater the level of cooperation between the partners, the more effective their joint problem solving activities will be.

Effective communication, as previously defined, means that the quality of information exchanged is high and that the means of exchange enhances the development and maintenance of long-term relationships between the partners. Hypothesis 7 posits that there is a direct positive relationship between communication and joint problem solving. The data also suggest a direct positive relationship between communication and the categories of inter-organizational understanding and cooperation. The following research hypotheses formally state the posited relationships between these categories.

H9: The more effective the communications between the partners, the greater the development of inter-organizational understanding.

H10: The more effective the communications between the partners, the greater their level of cooperation.

The overall effectiveness of communication appeared to be influenced by the willingness of the partners to exert effort on behalf of the partnership, i.e., the level of commitment to the partnership, and quality of the information shared. As stated previously, the quality of information can include such aspects as timeliness, adequacy, accuracy, and relevance (Mohr and Spekman, 1994). The data suggested that the quality of information was rooted in the knowledge the partners had of themselves, i.e., their organizational self-awareness. It should follow then that the level of organizational self-awareness is related to the effectiveness of communications between the partners. The relationships between these categories are stated in the following research hypotheses:

H11: The greater the level of organizational self-awareness, the more likely that communications between the partners will be effective.

H12: The greater the level of commitment to the partnership, the more likely that communications between the partners will be effective.

Comparison of the Conceptual Model to the Buyer-Seller Partnership Literature

While existing papers in the literature address various elements that overlap with parts of the model proposed here, no previous treatment involves all the components, nor the particular arrangement depicted in this study. This section will discuss the salient differences between the results of this study and a small, yet representative, part of the current literature addressing buyer-seller partnerships. In most instances, comparisons will focus on four studies which have proposed conceptual frameworks related to partnerships—Anderson and Narus, 1990; Dwyer, Schurr, and Oh, 1987; Mohr and Spekman, 1994; and Morgan and Hunt, 1994. These models provide a robust representation of buyer-seller partnerships (Fontenot and Wilson, 1997), and, therefore, provide an excellent basis for comparison with the framework and constructs of this study. In the few instances where these four models do not provide a good comparative base, other studies—namely those by Frazier, Spekman, and O'Neal (1988) and Landeros, Reck, and Plank (1995)—will be used as the basis for comparison. The section is organized around each of the categories and their hypothesized relationships that were introduced in the previous section.

Organizational Self-awareness. Landeros, Reck, and Plank's (1995) construct of *buyer's expectations* highlights the criticality of establishing precise expectations for the partnership that is seen in this study as an important attribute of organizational self-awareness. Frazier, Spekman, and O'Neal (1988) introduce a construct they call *market position and aspirations of the OEM* (original equipment manufacturer) that is likewise similar to organizational self-awareness.

These studies take the perspective of the buyer. In recognizing partnerships as being bilateral relationships between buyers and sellers, it is only reasonable to expect that the supplier must likewise be aware of their needs, expectations, capabilities, etc. It is important that both partners possess a reasonably well developed sense of self-awareness. This self-awareness, when communicated effectively to the other partner, facilitates inter-organizational understanding. This rationale, supported by the research data, was the basis for the hypothesized

relationships between organizational self-awareness and communication, and communication and inter-organizational understanding.

Commitment to the Partnership.   The relationship between commitment and other constructs important to partnerships varies in the literature. Mohr and Spekman (1994) hypothesize that commitment is directly related to success of the partnership as measured by satisfaction and sales. Dwyer, Shurr, and Oh, (1987) propose that commitment is the resulting phase of development in buyer-seller relationships. Morgan and Hunt (1994), on the other hand, propose that commitment is one of two "key mediating variables"—the other being trust—positioned between five antecedents and five outcomes. The position of commitment in these three models varies from being an antecedent, to a mediating variable, to an outcome.

This research hypothesizes that commitment is positively related to effective communication and ultimately to satisfaction. It most closely resembles Mohr and Spekman's (1994) work relative to commitment's relationship to other constructs, especially when one considers that Mohr and Spekman also posit a direct relationship between communication and satisfaction/sales. The researcher believes that the apparent differences in the role of commitment, as described by these studies, can be at least partially explained by the dynamic nature of partnerships. As previously stated, it is reasonable to perceive that satisfaction with a partnership would have a positive influence on future commitment to the partnership. If one envisions partnerships as being represented over time as a spiral of related constructs, it is possible to see how a particular construct could, depending on the perspective, be an antecedent, a mediating variable, or an outcome. Anderson and Narus (1990) explain this spiral perspective of partnerships as they

describe their posited relationship between communication and trust:

> Our interpretation is that building and maintaining relationships is an iterative process. Meaningful communication between firms in a working partnership is a necessary antecedent of trust (cf. Anderson and Narus 1986). In subsequent periods, however, this accumulation of trust leads to better communication (p. 45).

Morgan and Hunt (1994) also support this perspective of ongoing partnerships.

Communication.   Communication is a common element to the four models being used for comparison. The definitions of this construct are similar across the studies and consistent with the definition developed in this study—the content and the means of information exchange between partners.

This study, however, emphasizes the importance of the means of information exchange. The content of information exchange is seen as a necessary, yet not a sufficient attribute of effective communication. The means of information exchange, particularly face-to-face exchanges, appear to be important in the development and maintenance of the hypothesized positive relationships between communication and the categories of inter-organizational understanding, joint problem solving, and cooperation.

Inter-organizational Understanding.   The four comparative models do not contain a construct that is analogous to inter-organizational understanding, defined in this study as the understanding and knowledge that an individual involved in the partnership has of the partner's markets, strategies, processes, and expectations.   The work of

Landeros, Reck, and Plank (1995) does, however, propose a construct they call mutual understanding and commitment.

This article proposes that inter-organizational understanding is dependent on the individual participant's knowledge of the partner's business and their specific role in the relationship and that there is a positive relationship between inter-organizational understanding and joint problem solving (H6). Landeros, Reck, and Plank (1995) share these perspectives.

Cooperation. Cooperation as defined in this study differs slightly from the one proposed by Anderson and Narus (1990) and later used by Morgan and Hunt (1994). The definition proposed here includes an attitudinal characteristic, that is, the "willingness" of the firms to engage in coordinated actions.

Anderson and Narus (1990) view cooperation as being a posited consequence of trust and an antecedent to satisfaction. Morgan and Hunt (1994) see cooperation as being a crucial factor in promoting relationship marketing success and stemming directly from their key mediating variables of commitment and trust. Mohr and Spekman (1994) identify coordination (similar to cooperation) as one of four attributes of the partnership (the others being commitment, interdependence, and trust) and hypothesize that more successful partnerships, compared to less successful partnerships, exhibit higher levels of these attributes.

The conceptual framework presented in this study posits that there is an indirect positive relationship between cooperation and satisfaction, with joint problem solving being the primary mediating variable between cooperation and satisfaction. Cooperation appears to be similar to commitment in that it has been represented as an antecedent, a mediating variable, and an outcome of partnerships. The researcher believes that these differences can also stem from the

recursive nature of ongoing partnerships (Anderson and Narus, 1990).

Joint Problem Solving. Recall from the previous discussion of this category that the definition used here takes a broader view of problem solving than is typically used in partnership literature. That is, here it implies joint participation in activities focused on solving or avoiding problems that were not necessarily precipitated by conflict or disagreement between the partners. Further, it was hypothesized that joint problem solving facilitates the realization of tangible and intangible outcomes and is important in creating and sustaining satisfaction.

Anderson and Narus (1990) posit an indirect positive relationship between functionality of conflict and satisfaction. They propose that the functionality of conflict has a negative relationship with conflict, which in turn has a negative relationship with satisfaction. Morgan and Hunt (1994) view functional conflict as an outcome of partnerships that is positively influenced by trust. Dwyer, Schurr, and Oh (1987) attribute conflict management to the commitment phase (the outcome phase) of relationship development.

These perspectives, although differing in their posited relationships relative to this construct, all recognize the potential functional nature of conflict. They appear to imply, but do not stress, the process orientation of this construct. This study, in hypothesizing that joint problem solving is a mediating construct, directly influenced by partnership enablers and directly influencing performance and relational outcomes, stresses the process orientation of joint problem solving.

Tangible Outcomes. All four of the comparative models include a construct that is, at least to some degree, similar to tangible outcomes as defined here. However, the posited relationships are quite different.

Mohr and Spekman (1994) posit that sales volume flowing between dyadic partners is one of two indicators of partnership success (the other indicator is satisfaction and will be discussed later in this section). Dwyer, Schurr, and Oh (1987) include tangible outcomes as an attribute in their construct of attraction, described as the initiating process of the exploration phase of partnerships. Anderson and Narus (1990) view tangible outcomes as influencing the organizations' dependence on the working partnership. In their model, this construct has a direct positive relationship with satisfaction. Morgan and Hunt (1994) propose that *a relationship benefit is* a precursor to commitment.

The research presented here shows the greatest similarity to Mohr and Spekman's work (1994), that is, tangible outcomes are influenced by the attributes that characterize the partnership, the communication behavior engaged in by the partners, and the conflict resolution techniques employed to settle disagreements.

Intangible Outcomes. Intangible outcomes refer to those outcomes that are associated with the partnership yet, cannot be readily quantified. This research differs from the comparative models in that it differentiates tangible and intangible outcomes and places specific importance on the relationship between intangible outcomes and satisfaction.

Interestingly, all four comparative models included the concept of trust. The posited definitions of trust are similar across the models, but the placement of trust within the models is markedly different.

Morgan and Hunt (1994) described trust as being one of the key mediating variable in their model, the other being relationship commitment. Anderson and Narus (1990) hypothesize that there is a positive relationship between communication and outcomes given comparison levels and trust. Trust, in turn, is positively related to cooperation and functionality of conflict.

Dwyer, Schurr, and Oh (1987) view trust as an attribute of *expectations development,* which is a sub-process of the exploration phase of partnerships. While Mohr and Spekman (1994) view trust as being one of the attributes of the partnership that directly influences success of the partnership.

The concept of trust also plays an important role in the research presented here. However, in this study, trust is viewed as an attribute of intangible outcomes. The participants described trust as belief in the partner's honesty and that the partner will be true to his word (like Dwyer, Schurr, and Oh, 1987). Trust did not appear to be an antecedent or a mediating variable, but rather an outcome—developing over time and being based on previous direct experience with the partner.

Satisfaction. This research hypothesizes that the realization of expected tangible outcomes and positive intangible outcomes were necessary, yet not sufficient to promote a sense of satisfaction with the partnership. It further hypothesizes that collaborative joint problem solving interactions appear to be an important factor in creating and sustaining a relationship where partnership satisfaction prevails.

Anderson and Narus's (1990) model also places satisfaction as the focal consequence of partnerships. They define satisfaction as the affective state that results from all aspects of the working relationship. They highlight that satisfaction is an affective measure, contrasted to an objective assessment of outcomes. However, they posit that an objective assessment, characterized as outcomes given comparison levels, has a positive relationship to satisfaction. They also propose that three less tangible constructs are related to satisfaction; conflict and influence by the partner firm are negatively related to satisfaction, while influence over the partner firm is positively related. This perspective is very similar to the one put forth in this article; that is, satisfaction is

influenced by both tangible and intangible outcomes.

Mohr and Spekman (1994) include satisfaction (an affective indicator), along with dyadic sales (an objective indicator), as the defining attributes of partnership success. Their definition of satisfaction is somewhat narrower than that employed in this study, in that they view satisfaction with the partnership as resulting from performance expectations being met.

Dwyer, Schurr, and Oh (1987) state that the trust and joint satisfactions of the partnerships are established in the exploration stage of the partnership, further developed in the expansion stage, and provides the foundation for the commitment stage. They further propose that "dissatisfactions" with the partnership are the basis for the dissolution stage of partnerships. Even though satisfaction is a seemingly integral construct of their model, they do not provide a definition of satisfaction. This researcher's interpretation of their implied definition is that satisfaction refers to the partners' perception of the effectiveness of the exchange relationship relative to the real or anticipated costs associated with the relationship (based on information on p. 14 of the journal article).

Morgan and Hunt (1994) do not include satisfaction in their model; however, their construct of propensity to leave—the perceived likelihood that a partner will terminate the
relationship—can be viewed as being related to satisfaction/dissatisfaction with the partnership. They posit that there is a negative relationship between relationship commitment and the propensity to leave.

STAGE THREE

At this point in the qualitative data analysis process, the researcher focuses on identifying the characterizing components of the emerging model. Focusing now on the collective stories of the participants, the researcher looks for a higher order generalization of the data. In this study, each of the participants' stories described outcomes or results that stemmed from the partnership, a set of processes that led to those results, and a set of categories that enabled the processes and interactions of the partners to drive toward the outcomes. The outcome of Stage Three is a higher level representation of partnerships. Stage Three also directly leads to the identification of some important managerial implications. These managerial implications will be reviewed later in this article.

Higher-Level Conceptualization of Partnerships

The previous segments of this section described the individual categories and their hypothesized relationships that evolved from the research data. Figure 2 provided a graphical representation of this information. This picture of buyer-seller relationships is interesting and informative, yet runs the risk of oversimplifying the complexity of these relationships that must function simultaneously at the inter-organizational and inter-personal levels.

The partnerships studied can be characterized by three superordinate categories. The first category, partnership enablers, consists of the subordinate categories, organizational self-awareness, commitment to the partnership, communication, cooperation, and inter-organizational understanding. The combination of these subordinate categories and the relationships between them appear to be what enables the second superordinate category, the partnership driver, to function effectively.

The partnership driver consists of the joint problem solving activities engaged in by the partners. It is the collection of these activities that generate and perpetuate the third superordinate category, the performance and relational outcomes of the partnership, comprised of the tangible and intangible

outcomes and their combined influence on partnership satisfaction.

The significance of the performance and relational outcomes as a superordinate category is that both tangible and intangible outcomes must be achieved for the participants to regard the partnership with a sense of satisfaction. Achieving, or perhaps even exceeding, expected business performance results does not appear to be enough to create a sense of satisfaction.

Relational outcomes, such as the ease of working with the partner, the formation of social bonds, and the development of trust, must also be present for the participants to feel good about the partnership.

This more general conceptualization of buyer-seller partnerships is supported by the aggregated stories the participants told about their partnerships. An overview of these collective stories will follow to provide examples of the superordinate categories and the relationships among them.

Figure 3

Higher-level Generalization of Buyer-Seller Partnerships
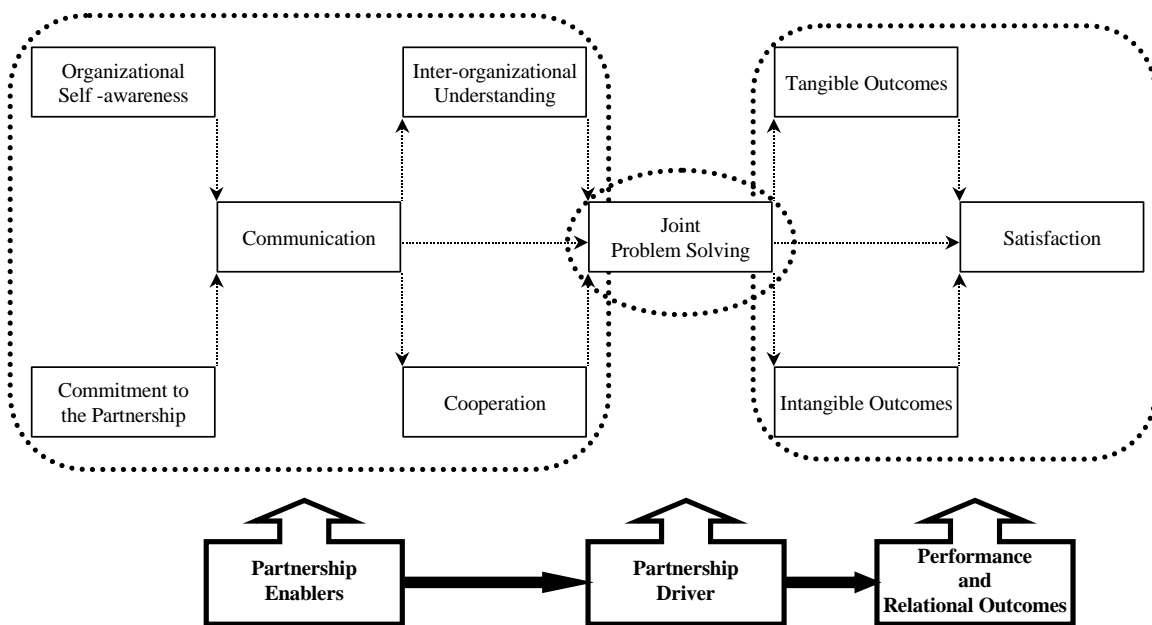
Partnership Enablers. (The following comments apply to all three partnerships.) There appeared to be a mutual commitment to the partnership. Participants on both sides of the dyad appeared to recognize the interdependence of the organizations and seemed to have a strong desire to continue the relationship.

All participants seemed to have a very cooperative spirit relative to the interactions

of the partnership. They all seemed willing, even eager, to engage and interact with their partner.

All participants also seemed to have a well-developed sense of organizational self-awareness. They understood their businesses and had clear expectations of what they expected from the partnership. The similarity of stories from participants within each dyad implied that there was a common sense of self-awareness within each organization.

The partnerships appeared to have effective communication processes that facilitated the exchange of information and knowledge between the organizations and among the participants, transforming organizational self-awareness into inter-organizational understanding. The communication processes also positively influenced the level of cooperation in the partnership and the effectiveness of their joint problem solving activities.

In all the partnerships, it appeared that it was the collective sum of these categories—commitment to the partnership, cooperation, organizational self-awareness, communication, and inter-organizational understanding—that enabled effective, efficient joint problem solving to take place. The combination of these categories forms the partnership enablers.

Partnership Drivers. When the participants of all three cases were asked to describe their partnership, they typically responded that it was a "good" partnership, one where they worked well together. Probing further on this idea of working well together, participants would describe situations where individuals from both the buyer and supplier organizations would collaboratively interact in developing and implementing the solution to some problem. Certainly the solutions to these problems were important to the participants and their organizations, many of the solutions leading to positive tangible outcomes for the partners, but it appeared that the process was also very important. Most of the stories that the participants told centered on the interaction of the partners in joint problem solving activities. These activities generated the tangible and intangible outcomes and in conjunction with those outcomes, generated a sense of satisfaction with the partnership. Joint problem solving appeared to be a key driver for the success of this partnership.

Performance and Relational Outcomes. The participants representing Partnerships A-B and E-F seemed to regard their relationship with a high degree of satisfaction. Those partnerships were providing expected outcomes relative to business performance, and the individuals appeared to genuinely enjoy working and interacting with each other.

In partnership C-D, neither partner felt that the expected business outcomes were being consistently met. However, both partners were developing and implementing new capabilities that stemmed from their relationship and appeared to have good working relationships with their partner. The researcher noted, however, that they did not describe their interactions with the enthusiasm of the individuals in the other partnerships. Overall, the participants in Partnership C-D seemed to regard their relationship as being basically satisfactory; however, the researcher did not get the impression that this relationship was as strong as the other two.

Summary of Data Analysis and Results

As previously stated, the essence of qualitative data analysis is the iterative inductive-deductive process of data reduction, with the researcher moving from specific data instances to abstract generalizations of the phenomenon under study. This section has provided the reader a description of the results of the study and an explanation of the data analysis process followed by the researcher.

DISCUSSION

The conceptual model depicted in Figure 3 characterizes the results of this study at a higher-level of abstraction. This generalization is quite different from the existing literature on buyer-seller partnerships in the representation of joint problem solving as being the key mediating category between the partnership enablers and the performance

and relational outcomes. Although the other comparative models include a construct that is at least similar to joint problem solving, none propose that the construct plays such an influential role, nor stress its interactive problem solving/problem preventing attributes.

The results of this study showed a somewhat surprising similarity in how buyer and supplier dyads perceived their partnership. It further showed similar perspectives among the different functional participants in the partnership. An example from the data will be used to further clarify this point.

The following are two quotes from participants that represent different functions. The first quote is from the Comptroller of Supplier D, and the second quote is from the Quality Engineer of Buyer E.

> It's good business. Solid, large volume, solid business that one can count on. It's basically a fair margin; it's not tremendously profitable, but it's solid and it's a pleasure to deal with a sophisticated customer.

> Well, we're still doing business with them, and the PPMs have gone down to the point where most people are satisfied. That's the measurement procedure I would give. They've gotten better. We've learned a few things and gotten better ourselves, and we're still in business with them. We haven't switched to another vendor, which we've done in other cases.

At the attribute level, the specific data instances are different. The first represents sales volume and profit, while the second

represents quality. However, at the category level, where the data instances are abstracted into more generalized, common themes, both quotes are viewed as representing Tangible Outcomes. This finding partially corroborates Ellram's (1995) study of partnership dyads where both buyers and suppliers rated all 17 factors investigated as being important in establishing and maintaining partnerships.

In summary, this study supports the existing literature on buyer-seller partnerships with respect to many of the criteria examined. While the labels for the described criteria vary from study to study, as do the proposed relationships among the criteria, it is evident the researchers have similar perspectives on many of the important constructs. This study adds to the existing literature by its characterization of the dimensions of organizational self-awareness and inter-organizational understanding inasmuch as previous research has taken a narrower view of these dimensions. This study also expands the definition of joint problem solving and emphasizes the importance of this category in generating performance and relational outcomes. It further contributes to the literature in its examination of both sides of the relationship from multiple perspectives, whereas previous research has typically focused on only one side of the dyad. Collectively, the support of the current literature from an expanded perspective, and the additions to the literature from this perspective provides a richer understanding of the dynamics in buyer-seller partnerships.

MANAGERIAL IMPLICATIONS

As previously described, in Stage Three of this qualitative study, the researcher switched his focus from analyzing individual participant interview data to analyzing the aggregated stories the participants told about their partnerships. In addition to the higher order conceptual model displayed in Figure 3, this analysis of the collective stories of the participants also resulted in several findings

that managers and practitioners may find directly applicable in sustaining working partnerships.

Finding # 1. Partnerships are long-term relationships between organizations, but it is the individuals actively engaged in the partnerships that make them successful.

Organizations engage in partnerships, but it is the individuals actively engaged in the day-to-day interactions of the partnerships that make them successful. It is the individuals who empower the partnership enablers, energize the partnership driver, and ultimately judge the partnership based on their satisfaction with the performance and relational outcomes of the partnership.

The importance of the individual to the success of the partnership has significant implications on the selection of personnel to be involved in partnership activities. The individuals must be willing and capable of seeing situations from perspectives other than their own. In addition, they should be competent in their area; they should enjoy interpersonal interaction and have a proclivity for being a team player.

Given the importance of the individual to the partnership, it follows that changes in participants would have a significant impact on the partnership. All aspects of the partnership, the enablers, the driver, and the outcomes are vulnerable to disruption when established participants are replaced by new participants. It takes time and repeated interactions among individuals to develop the mutual understanding and cooperation that enable the partners to effectively work together.

Finding # 2. Partnerships are built on a foundation of shared knowledge and mutual understanding.

The individuals actively engaged in the partnership must understand their partner's business from the perspective of their partner. It is essential that this understanding cover the partner's expectations of the partnership, their partner's requirements and the roles to be played by each organization and individual involved.

This sharing of knowledge and development of mutual understanding across organizational boundaries is built upon the individual participants within each organization having a complete understanding of their own business. This individual organizational self-awareness should go beyond a functional perspective, in other words, the individuals should have an understanding of their business from multiple perspectives.

Finding # 3. Face-to-face communication is key to partnership success.

As stated earlier in this paper, communication processes are typically viewed as being critical to organizational success. This study supports that view and also highlights the importance of face-to-face communication among partnership participants. Face-to-face interaction facilitates the development of cooperation and inter-organizational understanding and enhances joint problem solving. Other modes of communication, e.g., e-mail, telephone and fax, shared electronic databases, etc., are important and valuable modes of exchanging information. However, face-to-face communication enhances understanding and aids in generating the relational outcomes, such as the social bonds and sense of trust that develop between partners and strengthen the relationship.

Finding # 4. Multi-functional teams facilitate the generation of business and relational outcomes.

Multi-functional partnership teams provide a structure that facilitates the sharing of knowledge, development of mutual understanding, and joint problem solving.

These teams can provide multiple communication channels between the organizations that in turn can provide more direct information exchange between partners and aid in strengthening the partnership, so it is less dependent upon any one individual. This last aspect can be particularly important when partnership participants change, as mentioned in number 1 above.

Finding # 5. Joint problem solving activities generate the partnership outcomes.

The collaborative participation of both partnering organizations in the resolution of conflicts and in the joint planning and implementation of improvement projects is what drives both the tangible and intangible outcomes of the partnership. Joint problem solving activities should embrace the important aspects of partnerships described previously. These aspects, taken collectively in the context of joint problem solving, provide the means of generating both performance and relational outcomes that are satisfying to the participants and aid in perpetuating the relationship.

Finding # 6. Performance outcomes are important, but so are relational outcomes.

Firms enter into partnerships with the expectation of improving some set of tangible business performance metrics. These outcomes are essential to the long-term survival of the partnership. However, overall satisfaction with the partnership also appears to be dependent upon the presence of relational outcomes. These outcomes are most important for those individuals who participate directly in the partnership. Managers who are removed from the regular interactions of the partnership, yet involved in making decisions that might impact the partnership, must be aware that the both types of outcomes are important for maintaining these relationships over time.

Finding # 7. A structured approach to the management of partnerships facilitates communication and effective joint problem solving activities.

It is important to provide a structure that will facilitate ongoing communication and the development of mutual understanding, in that they play such vital roles in partnerships.   Project management-oriented approaches with regular team meetings and project status reports appeared to work well for two of the partnerships investigated here. This approach was particularly effective in keeping joint problem solving activities on track.

Higher level strategy-oriented meetings are also important to hold on at least an annual basis. The focus of these meetings should be to establish a shared understanding of each firm's strategic priorities and how these priorities affect the requirements placed on the partnership. The consensual results of this meeting become input for the prioritization of activities within the joint problem solving teams.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The author has identified three primary limitations associated with this research. The first limitation is inherent in qualitative case study methodology. As stated previously, case study research relies on analytical generalization rather than statistical generalization (Yin, 1994).   Recall that analytical generalization refers to the generalization of a particular set of results to some broader theory.   In the case of this study, the process of analytical generalization moves from specific examples of working partnerships to a higher-level generalization of partnerships as depicted in Figure 3. This generalization and its subordinate categories and hypotheses met the objectives of this study, that is, to gain a better understanding of the dynamics in buyer-seller partnerships.

However, the results should not be interpreted as implying statistical generalization, that is, the generalization of a sample to populations or universes (Yin, 1994). In other words, the results should not be generalized from the partnerships studied here to the universe of partnerships. In the future, a larger, quantitative study aimed at empirically testing the constructs and relationships presented here should be pursued.

The second limitation of the study is that the resulting conceptual model is cross-sectional in nature while the phenomenon that is being modeled is evolving over time. This situation is not atypical in partnership research; other researchers have encountered the same limitations (Anderson and Narus, 1990). The result of this situation is that, although many researchers agree on characteristics or dimensions of partnerships, there is less agreement on the direction of the relationships among these dimensions.

As stated previously, this researcher believes that the outcomes experienced in one time period might possibly influence the partnership enablers in a subsequent time period. It also makes intuitive sense to the researcher that the relationships between the partnership enablers, the partnership driver, and performance and relational outcomes are most likely two-way. That is, the partnership enablers influence the partnership driver, and the partnership driver in turn influences the partnership enablers. The analogous relation-ships would exist between the partnership driver and the outcomes. The data in this study shows aspects of these dynamic relationships but does not describe them the way a longitudinal data set would. A longitudinal study of working partnerships could enhance our understanding of how the constructs and the relationships amongst them change over time.

The third limitation stems from the fact that this research focuses on three, predominately successful, ongoing buyer-seller relationships. Would the constructs and proposed relationships explicated in this study

be important in understanding the negative dynamics of a dysfunctional relationship? The study of dissolving and terminated relationships could answer this question and provide a more thorough understanding of partnerships.

SUMMARY

This research has provided new information that enhances our understanding of buyer-seller partnerships. In many instances, it supports the results of previous studies, but from the broader perspective of both sides of the partnering relationship. In other instances, it proposes important new categories and relationships. The results of this research provide a foundation upon which future theory-building and theory-testing research can be based.

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